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PAGE 001

NC 4675287

TOR: 161320Z JUL 84

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EXDIS

E.O. 12356: DECL: OADR  
 TAGS: OREP (SOLARZ, STEPHEN), SN  
 SUBJECT: CONGRESSMAN SOLARZ MEETING WITH PRIME MINISTER  
 LEE, JULY 13  
 REF: SINGAPORE 7165

1. (S - ENTIRE TEXT)

2. FOLLOWING IS REPORT OF SOLARZ-LEE KUAN YEW MEETING  
 IN SINGAPORE JULY 13, 1984. OTHERS PRESENT: STAFF  
 DIRECTOR WILLIAM BARND, CHARGE WILLIAM SPRUCE AND  
 GOS MFA NORTH AMERICAN DESK OFFICER KAUSIKAN.

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PHILIPPINES

LEE SAID THINGS COULD HAVE COLLAPSED "LIKE A HOUSE  
 OF STRAWS", BUT MARCOS SURVIVED THE ELECTIONS. IT IS  
 A PITY HE HASN'T CHANGED THE CABINET MORE. PERHAPS  
 HE STICKS WITH OLD FRIENDS. HE HAD A CHANCE AFTER  
 THE ELECTIONS TO MAKE A CONSTRUCTIVE CABINET SHUFFLE,  
 BUT HE LET IT PASS.

SOLARZ SAID HE DID NOT SEE MARCOS SO MUCH AS STICKING  
 TO FRIENDS AS A MAN RIDING A TIGER.

LEE SAID MARCOS HAS NO INTENTION OF RELINQUISHING  
 POWER. HE OBSERVED HIM IN BRUNEI DURING THE  
 INDEPENDENCE CELEBRATIONS AND WAS STRICKEN BY THE  
 TRANSFORMATION OF THE MAN. MARCOS WAS GROPING FOR  
 WORDS, FACTS AND FIGURES. THE DIALYSIS MAY HAVE  
 AFFECTED HIS PERFORMANCE.

SOLARZ SAID HE GATHERED THERE WAS A FEELING IN  
 SOUTHEAST ASIA THAT LONG-TERM DETERIORATION IS SETTING  
 IN AND THAT THE NPA IS GROWING. AS POLITICS BECOME  
 POLARIZED, THE NPA MAY PICK UP MORE SUPPORT. BECAUSE  
 OF U.S. INTERESTS INVOLVED, THIS IS PARTICULARLY WHY  
 SOLARZ WANTED TO SEEK LEE'S VIEWS.  
 LEE SAID THE NPA IS NOT AS MUCH OF A THREAT AS MARCOS  
 MAKES IT. POLITICALLY, IT IS CONVENIENT TO HIM. YES,  
 THE NPA WILL GROW WITH TIME, BUT NOT AS A COORDINATED

~~SECRET~~

**SECRET**

84 4675287

SSP

PAGE 002  
TOR: 161320Z JUL 84

NC 4675287

NATIONAL MOVEMENT. THEY ARE PART ROBIN HOOD, PART BANDIT. PERHAPS IN TEN YEARS PLUS THEY MIGHT BECOME COORDINATED, ALTHOUGH THIS IS NOT LIKELY IN AN ARCHIPELAGO. THE QUESTION IS HOW LONG WILL MARCOS LIVE AND WHO WILL TAKE OVER AFTERWARDS, LEE DOES NOT SEE THE NPA TAKING OVER. THERE WILL EITHER BE AN ORDERLY SUCCESSION OR A SCRAMBLE FOR POWER WITH THE MILITARY INVOLVED. THE LATTER WOULD BE BAD. MEANWHILE, THE ECONOMIC SITUATION WILL GET WORSE. SINGAPORE BANKS HAVE LENT ABOUT US\$3.5 BILLION BUT CANNOT SEE AN IMF AGREEMENT COMING. MARCOS IS TRYING TO DODGE THE IMF'S CONDITIONS. SO JOBLESSNESS AND RESTLESSNESS WILL INCREASE. THE TRAGEDY IS THAT THE OPPOSITION IS SO FRACTURED AND INEFFECTIVE.

SOLARZ ASKED WHAT THE UNITED STATES SHOULD DO.

LEE SAID THERE IS NO CHOICE BUT TO STICK WITH MARCOS AND TO WORK ON RELATIONS WITH SUCCESSORS. AN OPPOSITION TAKEOVER IS A LONG SHOT ONLY. SOLARZ ASKED WHAT WOULD HAPPEN IF THE UNITED STATES OFFERED AID IN RETURN FOR A MORE OPEN, DEMOCRATIC SYSTEM.

LEE SAID MARCOS IS SO DESPERATE HE WILL HAVE TO ACCEPT. BUT THE AMOUNTS WOULD HAVE TO BE SUBSTANTIAL. HE OWES PERHAPS US\$25 BILLION. LEE SAID HE HAS NEVER SEEN A MAN LIVE SO EXISTENTIALLY, OR DAY-TO-DAY. HE TOOK ALL OF THE TROUBLE TO GO TO BRUNEI JUST TO SHOW THAT THINGS WERE IN ORDER, BUT TO THE ASEAN LEADERS, IT ONLY HURT MARCOS. THERE WERE TWO THINLY DISGUISED AMBULANCES FOLLOWING HIM AND THREE AIDS WITH MEDICAL-LOOKING BAGS ATTENDING HIM AT THE DINNER.

SOLARZ ASKED IF IMELDA MIGHT TAKE OVER IF MARCOS DIES.

LEE SAID THE CHANCES ARE MUCH LESS NOW. SHE HAS BEEN CUT DOWN A BIT, BUT NOT YET TO SIZE. IT MUST BE CLEAR TO THOSE AROUND HER THAT HE IS NOT GIVING HER BACKING.

SOLARZ ASKED WHAT WOULD HAPPEN IF THE AGRAVA COMMISSION CONCLUDES THAT AQUINO WAS KILLED BY SECURITY GUARDS.

LEE SAID THERE WOULD BE GREAT AMAZEEMENT THAT THE COMMISSION HAD THE COURAGE TO MAKE THAT FINDING, AND EVEN MORE AMAZEEMENT IF IT PUNISHED THE OFFENDERS.

EXDIS

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CAMBODIA

SOLARZ ASKED IF THERE WAS ANY SOFTENING OF THE VIETNAMESE POSITION ON CAMBODIA.

LEE SAID THERE WAS NO PUBLIC SOFTENING. PRIVATELY, IN DISCUSSIONS WITH THE THAIS AND INDONESIAIS, THE VIETNAMESE SHOW THAT THEY REALIZE THEY ARE IN DEEP TROUBLE. PUBLICLY THERE IS NO CHANGE, AND EACH PLOY IS JUST ANOTHER MANEUVER.

SOLARZ SAID HE HAD JUST DINED WITH JOSUF WANANDI IN INDONESIA. HE SAID THAT CO THACH SAID THEY WOULD

**SECRET**

**SECRET**

84 4675287 SSP

PAGE 003  
TOR: 161320Z JUL 84

NC 4675287

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WITHDRAW FROM CAMBODIA IF TWO CONDITIONS WERE MET.  
FIRST, THERE MUST BE NO POL POT PARTICIPATION IN THE  
GOVERNMENT. SECOND, THE GOVERNMENT MUST RECOGNIZE  
VIETNAM'S DOMINANT ROLE IN THE REGION.

-  
SOLARZ ASKED WHETHER THIS WAS WORTH EXPLORING.

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LEE SAID NO, NO. FIRST, WANANDI INDULGES IN WISHFUL  
THINKING. NONE OF THE SIGNALS FROM VIETNAM INDICATE  
GENUINE FLEXIBILITY. SECONDLY, VIETNAM WANTS TO SET  
UP A MEETING WITH ASEAN TO DISCUSS REGIONAL ISSUES  
IN ORDER TO BLUR THE CAMBODIAN QUESTION AND TO BE ABLE  
TO SAY THAT CAMBODIA IS NOT THE ONLY REGIONAL ISSUE.

-  
SOLARZ SAID HE WAS NOT ADVOCATING THIS, BUT DID SEE A  
REAL CONCERN ON VIETNAM'S PART -- THAT THERE BE NO  
POL POT RETURN.

-  
LEE SAID THE SUREST WAY IS TO HAVE A FREE AND SECRET  
VOTE. HE CANNOT SEE THE CAMBODIANS VOTING FOR THE  
KHMER ROUGE IN ANY FAIR ELECTION.

-  
SOLARZ SAID HE SUPPOSED THE KHMER ROUGE WOULD PULL  
EVEN LESS THAN LEE'S OPPOSITION DOES, BUT ASKED WHO  
IS TO STOP THE KHMER ROUGE FROM JUST MARCHING IN AND  
TAKING OVER.

-  
LEE SAID SOEHARTO HAD OFFERED A PEACEKEEPING FORCE TO  
PREVENT THAT, AND VIETNAM HAD TOSSED THE IDEA OUT.  
THAT SHOWS CO THACH'S INTENTIONS.

-  
LEE WONDERED WHY A SETTLEMENT COULD NOT BE ACHIEVED  
IN THE CONTEXT OF THE U.N. RESOLUTION.

-  
SOLARZ ASKED WHAT LEE ENVISAGED IN SUCH A SETTLEMENT  
AND WHETHER POL POT WOULD THROW IN THE TOWEL.

-  
LEE SAID POL POT WOULD NOT, AND ASEAN IS EVEN WILLING  
TO ASSURE A VIETNAMESE CONTRIBUTION TO PREVENT  
POL POT'S RETURN.

-  
SOLARZ ASKED WHO ELSE MIGHT PARTICIPATE. FOR EXAMPLE,  
WOULD ASEAN PARTICIPATE.

-  
LEE SAID THAT POINT HAS NOT YET BEEN REACHED, BUT  
IT WAS POSSIBLE THE INDONESIANS MIGHT.

-  
SOLARZ SAID HE HAD HEARD IT SUGGESTED THAT IF THE THAIS  
CUT OFF SUPPLIES TO POL POT, HE MIGHT BE BROUGHT  
UNDER CONTROL.

-  
LEE SAID NO. THE KHMER ROUGE HAVE TWENTY BASES IN  
CAMBODIA. SUPPLIES ARE BURIED AND REPLENISHED  
REGULARLY. THEY OPERATE IN THE NORTHEAST OF CAMBODIA  
WHERE SUPPLIES CLEARLY DO NOT COME FROM THE THAI  
BORDER. ALSO, THEY ARE TRYING TO OPEN A SEA SUPPLY  
ROUTE.

-  
SOLARZ ASKED WHETHER THE NONCOMMUNIST FORCES WERE NOW  
STRONGER.

LEE SAID, YES, THEY ARE. THEY PUT UP A FIGHT DURING  
THE RECENT DRY SEASON -- BEYOND SINGAPORE'S  
EXPECTATIONS, AND LEE THINKS THEY WILL GROW.

-  
SOLARZ ASKED HOW IMPORTANT IT IS FOR THE UNITED STATES  
TO PROVIDE MILITARY ASSISTANCE, AS WELL AS HUMANITARIAN  
AID.

LEE SAID, "WE ARE TALKING ABOUT A SUBJECT THAT RAISES  
ALL OF THE PHOBIAS OF THE AMERICAN MEDIA." IT WILL

**SECRET**

**SECRET**

84 4675287 SSP

PAGE 004  
TOR: 161320Z JUL 84

NC 4675287

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E.O. 12356: DECL: OADR  
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TAKE TIME TO OVERCOME THE TRAUMA OF AMERICA'S  
PARTICIPATION IN VIETNAM. LET'S CONCENTRATE ON  
HUMANITARIAN AID.

SOLARZ SAID HIS SUBCOMMITTEE WAS ABOUT TO HOLD HEARINGS  
ON VIETNAM TEN YEARS AFTER THE EVENT, AND ASKED WHAT  
THE COMMITTEE SHOULD SAY.  
LEE SAID A KEY LESSON WAS: DO NOT GO IN UNLESS YOU ARE  
PREPARED TO SEE IT THROUGH. THE WORLD WOULD BE  
DIFFERENT, AND THE U.S. WOULD BE A DIFFERENT COUNTRY  
IF IT HAD GONE IN DIFFERENTLY. THE U.S. SHOULD HAVE  
KEPT ON THE WAY IT WAS BEFORE THE MAJOR ESCALATION OF  
1965 -- GIVEN THE KIND OF COUNTRY THE U.S. IS. "BEING  
THE WAY YOU ARE", YOU SHOULD NOT HAVE GONE IN. YOU  
CAN NOT GO IN AND STAKE YOUR PRESTIGE AND LEAVE WITHOUT  
GRIEVOUS DAMAGE AROUND THE WORLD. YOU HAVE LOST YOUR  
ELAN AND SELF-CONFIDENCE. YOU HAVE CAUSED THE  
VIETNAMESE TO THINK THEY ARE "SUPERMEN" AND THEREFORE  
HAVE GIVEN THEM THE REVERSE DISEASE. THEY ARE NOW  
STUCK IN CAMBODIA.

SOLARZ SAID MOST OF THE PEOPLE CONDUCTING THE WAR FROM  
THE U.S. SIDE BELIEVED THE DOMINO THEORY. IN SOME  
WAYS OTHER COUNTRIES IN THE REGION ARE STRONGER TODAY  
THEN THEY WERE THEN.

LEE SAID THIS WAS NOT A SIMPLE QUESTION. HE NEVER  
SAID HE BELIEVED THE DOMINO THEORY. BEFORE THE MASSIVE  
U.S. INTERVENTION IN 1965, THE U.S. COULD HAVE RELIED  
ON TRAINERS AND ADVISORS. IF THE U.S. HAD NOT DRAWN  
THE LINE AT THE CAMBODIAN BORDER, EVERYTHING IN SOUTHEAST  
ASIA WOULD HAVE GONE. IT DID NOT GO BECAUSE VIETNAM  
WAS STUPID AND QUARRELED WITH CHINA. SIHANOUK SAID  
THAT NIXON'S 1972 CHINA TRIP CHANGED EVERYTHING. HE  
HAS NEVER SEEN CHOU EN LAI MORE CHASTENED. VIETNAM  
THEN DECIDED TO GO INTO CAMBODIA, AND NOW THEY ARE  
STUCK. VIETNAM AND CHINA COULD HAVE WORKED TOGETHER  
TO TAKE OVER ALL OF SOUTHEAST ASIA. THE DOMINOES DID  
NOT FALL BECAUSE THE COMMUNISTS QUARRELED.

SOLARZ ASKED WHAT THE U.S. COULD HAVE DONE IN ITS  
CONDUCT OF THE WAR.  
THE PM SAID THE U.S. SHOULD NOT HAVE IMPOSED LIMITS ON  
ITSELF IN DEALING WITH VIETNAM. IT COULD HAVE  
OBLITERATED NORTH VIETNAM.

SOLARZ SAID A FEAR OF CHINA AND THE FEAR OF ANOTHER  
CLASH WITH CHINA AS IN KOREAN MUST HAVE BEEN A FACTOR.

LEE SAID THE U.S. COULD HAVE BOMBED THE DIKES AND  
PULVERIZED THE NORTH. THE CONDUCT OF THE WAR BY  
JOHNSON -- TRYING TO USE GUNS AND BUTTER -- WAS WRONG.  
HE SHOULD HAVE POSTPONED THE "GREAT SOCIETY" AND  
CONCENTRATED ON VIETNAM. THE U.S. WOULD NOT HAVE  
INFLATION TODAY AND WOULD HAVE PULVERIZED THE NORTH,  
AND AMERICANS WOULD HAVE BEEN DIFFERENT. THE AMERICANS  
LEE USED TO SEE IN THE SIXTIES WERE SELF-CONFIDENT.  
NOW, THEY ARE AT THE OTHER EXTREME.

SOLARZ ASKED IF THERE WERE ANY INDICATIONS AMERICANS  
WERE EMERGING FROM THE VIETNAM TRAUMA.  
LEE SAID, SLOWLY. REAGAN IS AHEAD OF THE AMERICAN  
PEOPLE. HE SUFFERS FROM NO GUILT QUALMS.

**SECRET**

**SECRET**

84 4675287 SSP

PAGE 005  
TOR: 161320Z JUL 84

NC 4675287

CHINA AS A THREAT

SOLARZ ASKED ABOUT REGIONAL PERCEPTIONS OF THE SOVIETS  
VERSUS CHINA AS A THREAT.

LEE SAID MALAYSIA AND INDONESIA HAVE EXTERNALIZED  
THEIR DIFFICULTIES. THEIR TRAUMAS WERE INTERNAL. THE  
INDONESIANS BELIEVED THE CHINESE PLANNED THE COUP  
ATTEMPT IN THE SIXTIES, AND INDEED CHINESE WEAPONS WERE  
FOUND. IN MALAYSIA, IT IS MORE COMPLEX. THEY WERE  
FIGHTING CHINESE MAOISTS. SOME ARE STILL IN SOUTHERN  
THAILAND, AND A FEW HUNDRED ARE SCATTERED IN JUNGLES IN  
THE SOUTH BUT ARE LARGELY INEFFECTIVE TODAY. THE  
CHINESE THREAT TO THE REGION IS NOT SERIOUS. CHINA  
HAS NO NAVY, NO AIR FORCE, AND CAN ONLY PRESS VIETNAM AND  
BURMA, AND THERE IS A DANGER TO THAILAND BECAUSE OF  
THEIR HEAVY RELIANCE ON CHINA.

LEE DID NOT SEE HOW THEY COULD PRESSURE MALAYSIA OR  
INDONESIA.

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SOLARZ ASKED WHAT PROBLEMS LEE SAW IN SALES OF U.S.  
MILITARY TECHNOLOGY TO CHINA.

LEE SAID PRESIDENT REAGAN AND SECRETARY SHULTZ ARE  
VERY CAUTIOUS PEOPLE, SO IF THEY ARE WILLING TO SELL  
THE WEAPONS THEY ARE SELLING, THEN LEE IS RELAXED.

JAPAN

SOLARZ ASKED WHAT PROSPECTS THERE WERE FOR AN INCREASE  
IN JAPAN'S MILITARY BUDGET.

LEE SAID INCREASES WOULD BE MODERATE ONLY, AND IF  
NAKASONE WERE NOT PRIME MINISTER, THEY WOULD BE EVEN  
SLOWER. THE JAPANESE ARE HAPPY TO LEAVE IT TO THE U.S.

NEW ZEALAND

SOLARZ SAID HIS IMPRESSION IS THAT THE LEADER OF THE  
LABOR PARTY WOULD LIKE TO SCUTTLE THE NUCLEAR SHIP  
VISITS ISSUE, BUT IF HE CANNOT, SHOULD THE U.S. DO  
BUSINESS AS USUAL OR SHOULD WE SAY WE CANNOT FULFILL  
OUR ANZUS OBLIGATIONS?

LEE SAID HE WOULD NEED A CLOSER LOOK AT THE MOOD OF THE  
NEW ZEALAND PEOPLE TO ANSWER THOROUGHLY. IF THE PEOPLE  
THINK THE LABOR PARTY IS "DOTTY", THEN IT WOULD BE  
HELPFUL FOR THE U.S. TO TAKE A TOUGH STAND. BUT IF  
PEOPLE ARE NERVOUS, OR THE LEFT WING IS GENUINELY  
STRONG, THEN THE U.S. MIGHT UNDERMINE THE GOVERNMENT.

SOLARZ OBSERVED THAT SOME AUSTRALIANS HELD SIMILAR  
VIEWS TO THE NEW ZEALAND LABOR PARTY.

LEE SAID THE PEOPLE KNOW THEY ARE EITHER FOR YOU OR  
AGAINST YOU. IN OFFICE, THEY WILL SQUARE UP.

**SECRET**

**SECRET**

84 4675287 SSP

PAGE 006  
TOR: 161320Z JUL 84

NC 4675287

HONG KONG

SOLARZ ASKED THE PM'S VIEWS ON HONG KONG'S FUTURE.

LEE SAID THAT HE WAS FEARFUL. THE COMMUNIST TOUCH IS HEAVY AND WILL STIFLE. THE COMMUNISTS LACK SENSITIVITY AND UNDERSTANDING OF INVESTOR CONFIDENCE AND MARKET FORCES -- OTHERWISE, CHINA ITSELF WOULD BE A DIFFERENT PLACE. IF HONG KONG RIDES OUT THIS CURRENT CRISIS, IT WILL STILL EVENTUALLY BECOME A DRIED UP VERSION OF ITSELF.

TAIWAN

SOLARZ ASKED LEE'S VIEWS ON TAIWAN.

LEE SAID HE SAW NOTHING IN THE HONG KONG OUTLOOK THAT WOULD NOT STIFFEN THE TAIWANESE RESOLVE TO FIGHT TO THE END. HIS ONLY GUESS IS THAT THE CHINESE COMMUNISTS DO NOT UNDERSTAND PEOPLE'S DESIRE TO SUCCEED.

SHULTZ ON CHINA

SOLARZ SAID HE WAS STRICKEN BY MALAYSIA'S REACTION TO SHULTZ' STATEMENT THAT CHINA WOULD BE A GOOD NEIGHBOR.

LEE SAID HE WAS ALSO, BUT THE MALAYSIANS WANT THE CHINESE TO BE POOR. THE PACIFIC BASIN CONCEPT IS ATTRACTING ATTENTION SIMPLY BECAUSE ONE BILLION PEOPLE WANT TO CATCH UP INSTEAD OF DISRUPT. IF THE CHINESE DO NOT CONCENTRATE ON DEVELOPMENT AND TRY TO DISRUPT, THE ENTIRE PACIFIC REGION WILL BE IN SERIOUS TROUBLE.

KOREA

SOLARZ NOTED THAT NORTH KOREA PROPOSED U.S.-SOUTH KOREAN TRIPARTITE TALKS. HE ASKED WHETHER WE SHOULD INSIST ON QUADRAPARTITE.

EXDIS

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LEE SAID THAT IF HE WERE THE AMERICANS, HE WOULD NOT BE IN THREE-PARTY TALKS. IF THE TWO PARTIES CANNOT TALK TO EACH OTHER, AMERICA'S PRESENCE CANNOT HELP THE TALKS TO GET ON. IF THEY FAIL, YOU WILL GET THE BLAME.

SOLARZ SAID THE NORTH'S GOAL IS TO GET U.S. TROOPS OUT OF SOUTH KOREA.

LEE SAID YES, SO THE NORTH CAN ATTACK THE SOUTH.

LEE SAID THE MAJOR QUESTION IN KOREA IS WHETHER THE NORTH CAN COUNT ON CHINESE OR SOVIET SUPPORT.

3. THIS MESSAGE WAS CLEARED BY CONGRESSMAN SOLARZ' PARTY.

4. DEPARTMENT PLEASE REPEAT TO OTHER ADDRESSEES

**SECRET**

**SECRET**

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84 4675287 SSP

PAGE 007  
TOR: 161320Z JUL 84

NC 4675287  
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AS DESIRED.  
KEMPE  
END OF MESSAGE

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